

EXHIBIT 14

C A R L O S L A M O U T T E

ADVISOR • ATTORNEY • NOTARY

July 2, 2021

BY U.S. MAIL AND ELECTRONIC MAIL

Ms. Natalie A. Jaresko
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General Counsel
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Re: FORMAL PETITION TO THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO REQUESTING *EX POST FACTO* REVISION AND DECLARATION OF ANNULMENT AND AVOIDANCE OF PUERTO RICO GOVERNMENT CONTRACT

(Civil Case Number SJ2020CV04491 - \$385,000,000 Lender Liability Class Action filed against Banco de Desarrollo Económico para Puerto Rico, PR Recovery and Development JV, LLC, Arena Investors, LP, and Mr. Luis Burdiel Agudo)

Dear Ms. Jaresko and Mr. El Koury:

The inaction of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) in relation to that certain Loan Sale Agreement entered into as of September 7, 2018 by and between the Economic Development Bank for Puerto Rico (Banco de Desarrollo Económico para Puerto Rico) (by its Spanish acronym, the “BDE”) and a foreign investor named PR Recovery and Development JV, LLC (“PR Recovery”), registered at the Office of the Comptroller of Puerto Rico under contract number BDEPR-2019-000044 (hereinafter, the “\$384,269,047 Loan Sale Agreement”), pursuant to which the BDE unlawfully transferred a \$384,269,047 loan portfolio to PR Recovery, at a 91% liquidation discount, and under other highly suspect circumstances that are the object of ongoing litigation¹, is contrary to, and inconsistent

¹ See the entire dockets of Civil Case Numbers SJ2020CV04491 and SJ2019CV11697, respectively, both pending before the Puerto Rico Court of First Instance, San Juan Part.



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with, the spirit of the PROMESA Act, the FOMB Policy (Review of Contracts) adopted on November 6, 2017, as amended on April 30, 2021, and Oversight Board's own past practices.

The plaintiff class in Civil Case Number SJ2020CV04491 contends that it is the ministerial duty ("*deber ministerial*") of the Oversight Board and its executive team to evaluate all Puerto Rico government contracts having a transactional valuation of \$10 million or more; such obligation being of an ongoing and continuing nature as to those material government contracts known to have been diverted away from the Oversight Board's inspection prior to their execution, such as the \$384,269,047 Loan Sale Agreement.

The Oversight Board's persistence to look the other way in relation to this controversial disposition of government assets is tantamount to enabling a \$384,269,047 Loan Sale Agreement that was maliciously circumvented away from the Oversight Board's revision and approval processes and which the BDE, an instrumentality of the Government of Puerto Rico, has characterized in court pleadings as a multimillion-dollar fraud.²

To rule on this type of backchannel misconduct in Puerto Rico government contracting is the very reason that the Oversight Board exists.

As a result of the Oversight Board's inaction, the plaintiff class in Civil Case Number SJ2020CV04491 intends to initiate a separate judicial process to compel the Oversight Board to review the \$384,269,047 Loan Sale Agreement, which is a Puerto Rico government contract known to have been executed outside of the Oversight Board's jurisdiction and with the Oversight Board's imputed knowledge of the contracting parties' willful failure to comply with the PROMESA Act and its standing policies, and to financially benefit a private investor.

The Oversight Board cannot turn its back on hundreds of small business owners located throughout the island that are being adversely affected by all the irregularities that permeate the \$364,269,047 Loan Sale Agreement. The Oversight Board must act to either approve or reject the \$364,269,047 Loan Sale Agreement, without continuing to ignore its own federal mandate and past precedent, after having dutifully inspected all disclosure documentation and information required per the Oversight Board's own standing policy, including, without limitation:

- (a) The identity of the parent organization of PR Recovery;
- (b) The identity of all persons and entities having full authority to act on behalf of PR Recovery;
- (c) The identity of all entities or individuals with an ownership or membership interest, as the case may be, equal to or higher than ten percent (10%) in PR Recovery;
- (d) The state of organization of PR Recovery;

² See the entire docket of Civil Case Number SJ2019CV11697, pending before the Puerto Rico Court of First Instance, San Juan Part.

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(e) A full and complete package containing all RFP information conducive to the granting of the award of the \$364,269,047 Loan Sale Agreement to PR Recovery;

(f) A true and complete copy of the requisite Contractor Certification signed by the Chief Executive Officer of PR Recovery under penalty of perjury; and

(g) All other documentation and information required under the FOMB Policy (Review of Contracts) adopted by the Oversight Board on November 6, 2017, as amended on April 30, 2021.

The PROMESA Act exists to promote transparency in government contracting, and the \$384,269,047 Loan Sale Agreement that thrust the BDE to its own insolvency is no exception to the rule.

Unless the Oversight Board takes immediate action to review the \$384,269,047 Loan Sale Agreement, the plaintiff class in Civil Case Number SJ2020CV04491 will file a mandamus petition to compel the Oversight Board's compliance with the PROMESA Act and the FOMB Policy (Review of Contracts) adopted by the Oversight Board on November 6, 2017, as amended on April 30, 2021.

Should you have any questions or comments pertaining to the foregoing, please do not hesitate to contact us.

Sincerely,



Carlos Lamoutte

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